

CHAPTER NO. 424

HOUSE BILL NO. 1184

**By Representatives Sands, Buck, McMillan, Briley, Newton, Boyer, Scroggs, Sherry Jones, Towns, Cooper**

**Substituted for: Senate Bill No. 1347**

**By Senator Haynes**

An ACT to amend Tennessee Code Annotated, Section 29-20-403, relative to local government tort limits.

WHEREAS, the governmental entities covered by the Governmental Tort Liability Act provide a limited range of public services that include matters of public safety that are inherently risky services, such as fire protection and law enforcement; and

WHEREAS, the Governmental Tort Liability Act reflects the balance that the General Assembly has drawn between taxpayers who provide inherently risky public services and persons injured in accidents involving governmental entities; and

WHEREAS, the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) has recommended that local government tort liability limits be increased based upon Consumer Price Index increases since the limits were last increased; and

WHEREAS, TACIR has also recommended the creation of a catastrophic injuries fund to pay certain tangible costs above the tort liability limits, and the General Assembly in Chapter 964 of the Public Acts of 2000, required local government entities to report to the state treasurer on their tort liability activities; and

WHEREAS, information gathered by the state treasurer under Chapter 964 will determine the feasibility of a catastrophic fund; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 29-20-403, is amended by deleting the final sentence of subsection (b)(2)(A) and substituting instead the following:

The provisions of this subdivision shall apply to any action arising on or after July 1, 1987 but before July 1, 2002; and

SECTION 2. Tennessee Code Annotated, Section 29-20-403, is further amended by adding the following new subparts (b)(3) and (b)(4):

(3) Minimum limits of not less than two hundred fifty thousand dollars (\$250,000) for bodily injury or death of any one (1) person in any one (1) accident, occurrence or act, and not less than six hundred thousand dollars (\$600,000) for bodily injury or death of all persons in any one (1) accident, occurrence or act, and eighty-five thousand dollars (\$85,000) for injury or destruction of property of others in any one (1) accident,

occurrence or act. The provisions of this subpart shall apply to any action arising on or after July 1, 2002 but before July 1, 2007.

(4) Minimum limits of not less than three hundred thousand dollars (\$300,000) for bodily injury or death of any one (1) person in any one (1) accident, occurrence or act, and not less than seven hundred thousand dollars (\$700,000) for bodily injury or death of all persons in any one (1) accident, occurrence or act, and one hundred thousand dollars (\$100,000) for injury or destruction of property of others in any one (1) accident, occurrence or act. The provisions of this subpart shall apply to any action arising on or after July 1, 2007.

### SECTION 3.

(a) There is created a commission to design, develop and propose legislation to the general assembly to enact and implement a Catastrophic Injuries Fund for the purpose of compensating certain specified persons in an amount in excess of the governmental tort liability limits for injuries or death caused by the actions of an employee of a governmental entity and to study other issues relating to governmental tort liability. Such Commission shall consist of the following members:

(1) Four (4) members to be appointed jointly by the speaker of the senate and speaker of the house of representatives from a list of eight (8) persons to be submitted jointly by the Tennessee municipal league, the Tennessee county services association, the Tennessee school board association, county owned hospitals, self-insured municipalities, Tennessee public utilities and the Tennessee municipal league risk management pool by January 1, 2002;

(2) Four (4) members to be appointed jointly by the speaker of the senate and speaker of the house of representatives from a list of eight (8) persons submitted by the Tennessee trial lawyers association by January 1, 2002;

(3) The comptroller of the treasury or the comptroller's designee;

(4) The state treasurer or the treasurer's designee;

(5) The secretary of state or the secretary's designee; and

(6) The chair of the senate and house of representatives state and local government committees, judiciary committees and finance ways and means committees, or such chair's designees, who shall be ex officio non-voting members of the commission.

(b) If the speakers are unable to appoint four (4) members from the list of eight (8) submitted pursuant to subsection (a)(1) or (a)(2), the speakers shall notify the association or entities submitting the initial list and they shall have no more than forty-five (45) days to submit a new list of eight (8) persons. The speakers may request no more than two (2) such additional lists in making the respective four (4) member appointments.

(c) If for any reason a vacancy occurs in the commission membership appointed pursuant to subsection (a)(1) or (a)(2), the association or entities making the original

appointment shall have no more than thirty (30) days to submit to the speakers a list of two (2) persons to fill each such vacancy. The speakers shall jointly appoint a member to fill the vacancy in the same manner as the initial appointment.

(d) The commission shall first convene at the call of the state treasurer who shall serve as chair and shall coordinate the work of the commission.

(e) The Catastrophic Injuries Fund Commission shall design, develop and propose legislation to the general assembly to enact and implement the catastrophic injuries fund by July 1, 2006. The Commission may report on and propose legislation, if necessary, on other issues related to governmental tort liability at any time but no later than July 1, 2006.

SECTION 4. The state share of the cost pursuant to Article II, Section 24 of the Constitution of Tennessee for any increased expenditure required by a county by the provisions of this act shall be provided from the unallocated tax revenue of state-shared taxes enumerated in Tennessee Code Annotated, Section 9-6-301.

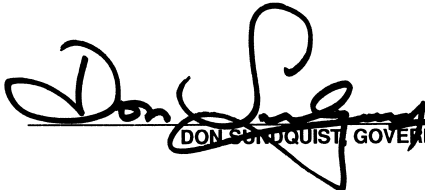
SECTION 5. For the purposes of submitting lists of proposed members and appointing the members of the Catastrophic Injuries Fund Commission, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect on July 1, 2001, the public welfare requiring it. Notwithstanding the provisions of this section, the provisions of this act shall not take effect unless House Bill 1555/Senate Bill 1013 relative to the definition of a health care practitioner for purposes of the governmental tort liability act is also enacted and becomes effective.

**PASSED: June 18, 2001**

  
JIMMY RAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

**APPROVED this 27<sup>th</sup> day of June 2001**

  
DON SUNDQUIST, GOVERNOR